

ACT No. 399

HOUSE BILL NO. 436

BY REPRESENTATIVES ROBERT JOHNSON, ADAMS, ARMES, BADON, BARROW, BILLIOT, BROWN, BURRELL, CONNICK, COX, DOVE, EDWARDS, GAINES, GISCLAIR, GUILLORY, HARRISON, HAVARD, HUNTER, HUVAL, IVEY, JEFFERSON, LAMBERT, LEBAS, MONTOUCET, ORTEGO, PIERRE, PYLANT, REYNOLDS, ROBIDEAUX, THIBAUT, THIERRY, WHITNEY, PATRICK WILLIAMS, WILLMOTT, AND WOODRUFF

1 AN ACT

2 To amend and reenact R.S. 46:2625(A)(2) and to enact R.S. 22:1860.1 and R.S. 46:460.36,
3 relative to reimbursement of provider fees remitted to the Department of Health and
4 Hospitals; to provide that health insurance issuers reimburse pharmacies or
5 pharmacists for payment of the fee; to provide for scope of application with respect
6 to the medical assistance program; to provide for sanctions by the commissioner of
7 insurance; to provide for appeals of sanctions; to provide for definitions; to provide
8 for managed care organizations' pharmacy reimbursement; to require a dispute
9 resolution process; to provide for the provision of implementation costs; and to
10 provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 22:1860.1 is hereby enacted to read as follows:

13 §1860.1. Reimbursement of pharmacy provider fee; sanctions; administrative
14 hearings

15 A. It is the obligation of a health insurance issuer or its agent to reimburse
16 a pharmacist or his agent for fees remitted by a pharmacy or pharmacist or his agent
17 in compliance with R.S. 46:2625.

18 B. The failure to reimburse a pharmacy or pharmacist or his agent by a
19 health insurance issuer or its agent for the fees authorized in R.S. 46:2625(A)(1)
20 shall be an act for which the health insurance issuer or its agent may be sanctioned
21 by the commissioner in accordance with R.S. 22:1860. Any person sanctioned

1 pursuant to this Section may demand an administrative hearing in accordance with
 2 Chapter 12 of this Title, R.S. 22:2191 et seq.

3 Section 2. R.S. 46:2625(A)(2) is hereby amended and reenacted and R.S. 46:460.36
 4 is hereby enacted to read as follows:

5 §460.36. Pharmacy reimbursement by managed care organizations

6 A. Words and terms used in this Section shall have the following meanings:

7 (1) "Department" means the Department of Health and Hospitals.

8 (2) "Legacy Medicaid rate" means the lesser of one of the following:

9 (a) The published Medicaid fee-for-service reimbursement rate for the
 10 combination of the ingredient cost and dispensing fee in use for the current approved
 11 Medicaid state plan in effect on the date of service.

12 (b) The usual and customary charge. This charge shall be the price the
 13 provider most frequently charges the general public for the same drug unless
 14 otherwise defined in the current approved Medicaid state plan in effect on the date
 15 of service.

16 (c) The pharmacy's submitted charge.

17 (3) "Local pharmacy" means any pharmacy, domiciled in at least one
 18 Louisiana parish that meets both of the following criteria:

19 (a) Contracts with the managed care organization or the managed care
 20 organization's contractor in its own name or through a pharmacy services
 21 administration organization and not under the authority of a group purchasing
 22 organization.

23 (b) Has fewer than ten retail outlets under its corporate umbrella.

24 B. A managed care organization may negotiate the ingredient cost
 25 reimbursement in its contracts with providers.

26 C. Any contract between the department and a managed care organization
 27 that includes provisions for pharmacy reimbursement shall provide for a
 28 reimbursement dispute process for local pharmacies.

29 (1) Such reimbursement dispute process shall, at a minimum, include the
 30 following elements:

